

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 613 Session of
2001

INTRODUCED BY STERN, ALLEN, ARGALL, ARMSTRONG, M. BAKER, BARRAR, BASTIAN, BEBKO-JONES, BELFANTI, BROWNE, BUNT, CALTAGIRONE, CAPPABIANCA, CAPPELLI, L. I. COHEN, COLAFELLA, COSTA, CRUZ, DeWEESE, EACHUS, FAIRCHILD, FLEAGLE, FLICK, FORCIER, FRANKEL, FREEMAN, GEIST, GEORGE, GORDNER, GRUCELA, HALUSKA, HARHAI, HENNESSEY, HERMAN, HESS, HORSEY, HUTCHINSON, JAMES, JOSEPHS, KREBS, LAUGHLIN, LEDERER, LEH, MANN, MARSICO, McCALL, McILHATTAN, MELIO, MICOZZIE, R. MILLER, S. MILLER, MUNDY, NAILOR, ORIE, PETRARCA, PHILLIPS, PIPPY, RAYMOND, ROSS, RUBLEY, SAINATO, SANTONI, SATHER, SAYLOR, SCHULER, SHANER, B. SMITH, SOLOBAY, STABACK, STAIRS, STEELMAN, R. STEVENSON, E. Z. TAYLOR, THOMAS, TRELLO, TULLI, VANCE, WANSACZ, WATSON, C. WILLIAMS, WILT, WOJNAROSKI, YEWIC, YUDICHAK, ZUG, MACKERETH, BELARDI AND T. STEVENSON, FEBRUARY 13, 2001

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 13, 2001

AN ACT

1 Establishing the Vocational Education - Employer Partnership
2 Program; and providing for business tax credits.

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4 and Economic Development.

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6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Vocational
10 Education and Employer Partnership Act.

11 Section 2. Declaration of policy.

12 (a) Findings.--The General Assembly finds and declares as
13 follows:

14 (1) A well-trained and well-educated work force is
15 essential to the economic well-being of this Commonwealth.

16 (2) Many vocational schools in this Commonwealth do not
17 have the financial resources to provide their students with
18 the advanced curriculum needed for the workplace and high
19 technology industries of the 21st century.

20 (3) Sharing resources is a cost-effective and proven
21 method of ensuring that all of the Commonwealth's school
22 children have access to a high-quality curriculum that
23 provides hands-on experience with modern and sophisticated
24 scientific and technical equipment and that provides teachers
25 with the training and education to incorporate the use of
26 these types of equipment into the teaching curricula.

27 (4) Significant opportunities exist for collaboration
28 between vocational education providers and the business
29 community of the Commonwealth to enhance the education of
30 this Commonwealth's school children.

1 (b) Intent.--It is the intent of the General Assembly and
2 the purpose of this act to establish the Vocational Education -
3 Employer Partnership Program to provide enhanced educational
4 opportunities.

5 Section 3. Definitions.

6 The following words and phrases when used in this act shall
7 have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Business entity." A corporation having capital stock,
10 joint-stock association or limited partnership, either organized
11 under the laws of the United States, this Commonwealth or any
12 other state, territory or foreign country or dependency and
13 doing business in this Commonwealth or having capital or
14 property employed or used in this Commonwealth by or in the name
15 of itself or any person, partnership, association, limited
16 partnership, joint-stock association or corporation and subject
17 to taxes under Article IV or VI of the act of March 4, 1971
18 (P.L.6, No.2), known as the Tax Reform Code of 1971. The term
19 shall also include businesses operating as Pennsylvania S
20 corporations, sole proprietorship or partnership that are
21 subject to taxes under Article III of the Tax Reform Code of
22 1971 and building and loan associations, bank and trust
23 companies and insurance and surety companies that are subject to
24 taxes under Article VI, VII, VII-A, VIII, VIII-A, IX, X or XV of
25 the Tax Reform Code of 1971.

26 "Comprehensive vocational education plan." A strategy
27 developed by a vocational school and a sponsoring business firm
28 or private company to provide hands-on training and real world
29 instruction.

30 "Comprehensive vocational education project." Any activity

1 conducted jointly by a vocational school and a sponsoring
2 business firm or private company which implements a
3 comprehensive vocational education plan.

4 "Department." The Department of Community and Economic
5 Development of the Commonwealth.

6 "Private company." Any agricultural, industrial,
7 manufacturing, research or development enterprise as defined in
8 section 3 of the act of May 17, 1956 (1955 P.L.1609, No.537),
9 known as the Pennsylvania Industrial Development Authority Act,
10 or any commercial enterprise as defined in section 3 of the act
11 of August 23, 1967 (P.L.251, No.102), known as the Economic
12 Development Financing Law.

13 "Program." The Vocational Education - Employer Partnership
14 Program created under this act.

15 "Qualified investments." Any investments made by a private
16 company which promote job training pursuant to a plan developed
17 in cooperation with and approved by a vocational school
18 operating pursuant to a plan for the administration of tax
19 credits approved by the Department of Community and Economic
20 Development.

21 "Secretary." The Secretary of Community and Economic
22 Development of the Commonwealth.

23 "Vocational industrial, vocational agricultural, vocational
24 distributive occupational or vocational homemaking school or
25 department" or "vocational school or department." A distinctive
26 organization of courses pupils and teachers approved by the
27 State Board of Vocational Education and designed to give either
28 vocational industrial or vocational agricultural homemaking
29 education as defined in the act of March 10, 1949 (P.L.30,
30 No.14), known as the Public School Code of 1949.

1 Section 4. Establishment of the Vocational Education - Employer
2 Partnership Program.

3 There is hereby established the Vocational Education -
4 Employer Partnership Program to augment and complement the
5 curriculum provided by the vocational schools throughout this
6 Commonwealth.

7 Section 5. Powers and duties of the Department of Community and
8 Economic Development.

9 The department has the power and its duty shall be to adopt
10 rules, regulations, procedures and forms that may be necessary
11 to implement the program established under this act.

12 Section 6. Tax credit.

13 (a) Proposal.--Any business firm which engages or
14 contributes to a vocational school which engages in the
15 activities of job training and education or a private company
16 which makes a qualified investment to rehabilitate, expand or
17 improve vocational school buildings shall receive a tax credit
18 as approved in section 7 if the secretary annually approves the
19 proposal of such business firm or private company. The proposal
20 shall set forth the job training program to be conducted or the
21 rehabilitation or expansion improvement to take place, the
22 estimated amount to be invested in the program and the plans for
23 implementing the proposal.

24 (b) Rules.--The secretary is authorized to promulgate rules
25 and regulations for the approval or disapproval of proposals by
26 business firms or private companies and provide a listing of all
27 applications received and the disposition in each fiscal year to
28 the General Assembly by October 1 of the following fiscal year.

29 (c) Total tax credit.--The total amount of the tax credit
30 granted for programs approved under this act shall not exceed

1 \$10,000,000 in any fiscal year.

2 Section 7. Grant of tax credit.

3 The Department of Revenue shall grant a tax credit against
4 any tax due under Article III, IV, VI, VII, VII-A, VIII, VIII-A,
5 IX, X or XV of the act of March 4, 1971 (P.L.6, No.2), known as
6 the Tax Reform Code of 1971, or any tax substituted in lieu
7 thereof in an amount which shall not exceed 50% of the total
8 amount invested during the taxable year by the business firm or
9 20% of qualified investments by a private company in programs
10 approved pursuant to section 9 provided such tax credit per
11 business firm or private company does not exceed \$250,000 per
12 year.

13 Section 8. Unused credit.

14 Any portion of a tax credit that is unused during a
15 vocational school's fiscal year may be applied against the tax
16 imposed under Article III, IV, VI, VII, VII-A, VIII, VIII-A, IX,
17 X or XV of the act of March 4, 1971 (P.L.6, No.2), known as the
18 Tax Reform Code of 1971, or any tax substituted in lieu thereof,
19 for the ensuing five fiscal years.

20 Section 9. Decision in writing.

21 The decision of the secretary to approve or disapprove a
22 proposal pursuant to section 6 shall be in writing, and, if the
23 secretary approves the proposal, the decision shall state the
24 maximum credit allowable to the business firm. A copy of the
25 decision of the secretary shall be transmitted to the Department
26 of Revenue.

27 Section 10. Powers and duties of Department of Community and
28 Economic Development.

29 The Department of Community and Economic Development, in
30 consultation with the Department of Revenue, has the power and

1 its duty shall be to adopt rules, regulations, procedures and
2 forms that may be necessary to implement the business tax credit
3 program authorized under this act.

4 Section 11. Effective date.

5 This act shall take effect in 60 days.